

# John Lewis may end 100% staff ownership to raise investment

The retail giant John Lewis may dilute its 100% employee ownership to raise fresh investment.

The change to the partnership model would signal a major departure for [the company](#), which runs the department store chain and Waitrose supermarkets.

The firm [warned of job cuts](#) and told staff it will not hand out a bonus for only the second time since 1953 this week after posting an annual loss of £234m as costs soared and sales dipped.

Dame Sharon White, its chairwoman, is in the early stages of exploring a plan to change its mutual structure in an attempt to raise up to £2bn of new investment, according to The Sunday Times.

The group would consider selling only a minority stake and its priority would be to maintain majority employee ownership, the newspaper said.

Any move would have to be voted on by the retailer's partnership council of about 60 staff.

In the face of tough trading conditions, the firm has been looking to diversify its operations, including a move into the "build to rent" property business.

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At the end of last year it [signed a £500m deal](#) with Abrdn, a global investment company, that will help it build 1,000 new homes.

The John Lewis Partnership said: “We’ve always said we would seek partnerships to help fund our transformation and exciting

growth plans.

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“We’ve done this with Ocado in the past and now with ABRDN.

“Our partners, who own the business, will be the first to hear about any developments.”



Image:

The business includes 329 Waitrose shops  
UK’s largest employee-owned business

The business was founded by John Lewis with a small shop on Oxford Street in 1864.

His son, John Spedan Lewis, created the partnership more than 70 years ago as an experiment into a better way of doing business by including staff in decision-making.

The John Lewis Partnership is the UK’s biggest employee-owned business with around 74,000 staff, known as partners.

The group has 34 John Lewis shops and 329 Waitrose shops, along with its retail websites.

In a letter sent to staff last week, Dame Sharon raised the spectre of job losses as part of efforts “to become more efficient and productive”.

Spreaker

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‘Inflationary pressures’

A loss of £78m was recorded for the financial year which ended in January but when exceptional costs were added this reached £234m.

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These included the write-down in value of Waitrose stores.

It represented a slump from a £181m profit in the previous year, with John Lewis blaming “inflationary pressures”.

The update came a day after the group appointed turnaround specialist Nish Kankiwala as its first chief executive, in a shake-up of the leadership structure.